

**KEEGAN, WERLIN & PABIAN, LLP**

ATTORNEYS AT LAW  
21 CUSTOM HOUSE STREET  
BOSTON, MASSACHUSETTS 02110-3525

—  
(617) 951-1400

TELECOPIERS:  
(617) 951-1354  
(617) 951-0586

March 3, 2003

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station, 2<sup>nd</sup> Floor  
Boston, MA 02110

RE: New England Gas Company, D.T.E. 03-22

Dear Ms. Cottrell:

Please find attached the Annual Service Quality Report (the "SQ Report") for New England Gas Company (the "Company"). The SQ Report includes data and other information regarding the Company's annual service quality performance for the period ending December 31, 2002. The SQ Report is filed pursuant to the Service Quality Plan that was approved by the Department of Telecommunications and Energy (the "Department") on April 17, 2002. The Company is pleased to report that, for those categories where the Company had sufficient historical data to establish benchmarks for 2002, its 2002 service quality performance was consistent with or surpassed the established benchmarks.

If you have any questions, please call us at your convenience. Please also direct any correspondence to:

Kerry Britland  
Regulatory Affairs Specialist  
New England Gas Company  
100 Weybosset Street  
Providence, Rhode Island 02903  
Direct: (401) 272-5040 x 2212  
Fax: (401) 751-0698.

Letter to M. Cottrell  
March 3, 2003  
Page 2

Sincerely,

Cheryl M. Kimball  
John K. Habib

Enclosures

cc: Kerry Britland  
Peter Czekanski  
Sharon Partridge  
Joseph Rogers, Office of the Attorney General  
Robert Sydney, Division of Energy Resources  
Charles Harak

**2002 SQI  
Annual Report  
Section 1**

**Form A**



Form A  
Page 1 of 2  
Fall River Service Area 2002 Form A

PENALTY PROVISIONS	Years in Database (1)	Mean / Benchmark	Benchmark Deadband (2)		Performance in 2002	Comments
			Penalty	Offset		
Telephone Answering Factor %	< 1	NA	NA		37.76%	The percentage of telephone calls from customers that are handled within a 20 second time interval. Data collection began as of September 2001. Performance data for Year 2002 represents the first annual data point. Therefore, a benchmark could not be established.
Emergency Answering Factor %	< 1	NA	NA		94.33%	
Service Appointments Kept %	< 1	NA	NA		100.00%	The percentage of service appointments met by the Company on the same day scheduled. Performance data for Year 2002 represents the first annual data point. Therefore, a benchmark could not be established.
Meter Reads %	4	82.00%	81.18%	82.82%	82.87%	
Consumer Division Cases	9	55.9	72.1	39.7	50.00	
Bill Adjustments (\$/1000 customers)	9	\$24.27	\$46.46	\$2.07	\$0.03	
Lost Time Accident Rate (# of acc//200,000 employee hours)	10	2.35	6.24	-1.54	0.63	
Response To Odor Calls (%)	1	95%	NA		99.29%	

(1) For measures with less than one year of data, tracking began after Jan 01 but before Jan 02.

(2) Created by adding/subtracting one standard deviation to/from the mean. - Threshold at which penalties/offsets will be applied.

Form A  
Page 2 of 2  
Fall River Service Area 2002 Form A

ADDITIONAL REPORTING	Years in Database (1)	Mean / Benchmark (2)	Benchmark Deadband	Performance in 2002	Comments
			Penalty      Offset		
Restricted Work Day (# of acc/200,000 employee hours)	10	58.10	NA	8.25	
Property Damage > 5K (#)	1	0	NA	0	Fall River did not have property damage over \$5,000 in 2001 and 2002.
Unaccounted for Gas (Mcf)	10	246,290	NA	374,569	
Capital Expenditures (# of projects and total \$)	6	\$2,063,974	NA	\$1,603,656	Historical data not available regarding # of projects.
Spare Component & Inventory Policy	NA	NA	NA	NA	NA
Customer Surveys : Random Calls Residential Customers	1	NA	NA	4.5	Survey for residential customers who may or may not have recently contacted the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied are you with the service you are receiving from the Fall River Gas.
Customer Surveys : Recent Contacts	1	NA	NA	4.96	Survey for any customer who had recent contact with the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied were you with the service you are received from the customer service department of Fall River Gas.
Accidents	0	0	NA	0	Fall River did not report any accidents in 2001 and 2002.
Customer Service Guarantees	0	NA	NA	0	Fall River did not miss any scheduled service appointments or fail to notify customers of scheduled service outages.
Staffing Levels	5	177	NA	145	Benchmark represents 1997 staffing level.

(1) For measures with less than one year of data, tracking began after Jan 01 but before Jan 02.

(2) Historical average of the annual data points if more than two data points exist.

Form A  
Page 1 of 2  
North Attleboro Service Area 2002 Form A

PENALTY PROVISIONS	Years in Database (1)	Historical Average/Mean	Benchmark	Deadbands (2)	Performance in 2002	Comments
			Penalty	Offset		
Telephone Answering Factor %	< 1	NA		NA	94.83%	The percentage of telephone calls from customers that are handled within a 20 second time interval. Data collection began as of December 2001. Performance data for Year 2002 represents the first annual data point. Therefore, a benchmark could not be established.
Emergency Answering Factor %	< 1	NA		NA	< 12 months	Data collection began as of June 2002.
Service Appointments Kept %	< 1	NA		NA	99.81%	The percentage of service appointments met by the Company on the same day scheduled. Performance data for Year 2002 represents the first annual data point.
Meter Reads %	< 1	NA		NA	84.20%	
Consumer Division Cases	8	3.50	5.77	1.23	2.00	
Bill Adjustments (\$/1000 customers)	6	\$5.11	\$16.61	-\$6.39	\$0.00	
Lost Time Accident Rate (# of acc//200,000 employee hours)	8	39.28	135.48	-56.93	0.00	
Response To Odor Calls (%)	1	95%		NA	100.00%	

(1) For measures with less than one year of data, tracking began after Jan 01 but before Jan 02.

(2) Created by adding/subtracting one standard deviation to/from the mean. - Threshold at which penalties/offsets will be applied.

Form A  
Page 2 of 2  
North Attleboro Service Area 2002 Form A

ADDITIONAL REPORTING	Years in Database	Historical Average/Mean (2)	Benchmark Deadbands (3)	Performance in 2002	Comments
Restricted Work Day (# of acc/200,000 employee hours)	8	0.00	NA	0.00	
Property Damage > 5K (#)	2	0	NA	0	North Attleboro did not have property damage over \$5,000 in 2001 and 2002.
Unaccounted for Gas (Mcf)	10	11,543	NA	7,773	
Capital Expenditures	7	\$490,888	NA	\$400,388	Historical data not available regarding # of projects.
Spare Component & Inventory Policy	NA	NA	NA	NA	NA
Customer Surveys : Random Calls Residential Customers	1	NA	NA	6.02	Survey for residential customers who may or may not have recently contacted the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied are you with the service you are receiving from the North Attleboro Gas.
Customer Surveys : Recent Contacts	1	NA	NA	6.24	Survey for any customer who had recent contact with the Company. Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied were you with the service you are received from the customer service department of North Attleboro Gas.
Reporting of Safety Accidents	1	NA	NA	0	North Attleboro did not report any accidents in 2001 and 2002.
Customer Service Guarantees	0	NA	NA	3	North Attleboro missed scheduled service appointments but did not fail to notify customers of scheduled service outages.
Staffing Levels	5	11	NA	5	Benchmark represents 1997 staffing level.

(1) For measures with less than one year of data, tracking began after Jan 01 but before Jan 02.

(2) Historical average of the annual data points if more than two data points exist.

**2002 SQI  
Annual Report  
Section 2**





## **SECTION 2**

### **Performance Review for Year Ending December 31, 2002**

#### **I. INTRODUCTION**

In accordance with the directives of the Department of Telecommunications and Energy (the "Department"), the New England Gas Company (the "Company") hereby presents its annual service-quality performance report (the "SQ Report") for the Fall River Service Area ("Fall River") and North Attleboro Service Area ("North Attleboro") (together, the "Service Areas"), based on service-quality data collected through December 31, 2002. This Report is filed pursuant to the provisions of the Company's service-quality plans (the "SQ Plans") submitted to the Department last March 2002.

The SQ Report provides: (1) the Company's 2002 performance data for each service quality category required by the Department to be tracked,<sup>1</sup> (2) historical data supporting the benchmarks; and (3) supporting information and reports on certain service quality data required by the Department to be reported. For those service quality categories for which the Company was able to set performance benchmarks, the Company's performance exceeded the established benchmarks.<sup>2</sup>

Also included in this filing are the proposed benchmarks for 2003. To the extent that the performance benchmarks set in 2002 for 2001 performance were based on 10 years of data, the Company has not revised those benchmarks.<sup>3</sup> However, in instances where benchmarks were established last year on less than 10 years of data, the Company has updated the benchmarks, as required by the guidelines established by the Department in Service Quality Standards, D.T.E. 99-84 (2001) ("D.T.E. 99-84").<sup>4</sup> Because the Company began tracking data for several performance categories only last year, the Company has not yet

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<sup>1</sup> With the exception of the North Attleboro Service Area's Emergency Telephone Service Factor, which the Company began tracking in June 2002, the Company's data includes at least one year of data for each performance measure.

<sup>2</sup> Those categories are: (1) On-Cycle Meter Readings (Fall River Service Area); (2) Consumer Division Cases (both Service Areas); (3) Billing Adjustments (both Service Areas); (4) Lost Work Time Accident Rate (both Service Areas).

<sup>3</sup> Those categories are: (1) Billing Adjustments (Fall River Service Area); and (2) Lost Work Time Accident Rate (Fall River Service Area).

<sup>4</sup> Those categories are: (1) On-Cycle Meter Readings (Fall River Service Area); (2) Consumer Division Cases (both Service Areas); (3) Billing Adjustments (North Attleboro Service Area); and (4) Lost Work Time Accident Rate (North Attleboro Service Area).

compiled sufficient data to establish performance benchmarks for 2003 in certain categories.<sup>5</sup> The Company will continue to establish and update its performance benchmarks as additional data becomes available.<sup>6</sup>

## **II. PERFORMANCE MEASURES**

### **A. Customer Service and Billing Performance Measures**

#### **1. Telephone Service Factor**

Under Section II.A of the Company's SQ Plans, the Company is required to collect and report statistics on the percentage of telephone calls from customers that are handled within a 20-second time interval. Until the issuance of D.T.E. 99-84 on June 29, 2001, the Company had not compiled performance statistics on the telephone-response time for either the Fall River or North Attleboro Service Areas. As of September 2001, the Company began collecting data on the percentage of telephone calls handled within 20 seconds for the Fall River Service Area, including both emergency and non-emergency calls. In December 2001, the North Attleboro Service Area call center was relocated to Cumberland, Rhode Island (offices of the former Valley Gas Company), and as of January 1, 2002, statistics for non-emergency calls were compiled for the North Attleboro Service Area in accordance with the 20-second standard. Tracking for the North Attleboro Service Area emergency calls began in June 2002. Thus, as of December 31, 2002, there is one annual data point for the Fall River and North Attleboro Service Area telephone service factors, with the exception of the North Attleboro Service Area emergency calls. Appropriate benchmarks for this measure will be proposed for both Service Areas once the Company has compiled three years of historical performance data to serve as a basis for the calculation. The Company's 2002 performance was 37.76% for the Fall River Service Area and 94.83% for the North Attleboro Service Area.

#### **2. Service Appointments Met on the Same Day Requested**

Under Section II.B of the SQ Plans, the Company is required to gather data on the percentage of service appointments met by Company personnel on the same day requested. The Company did not track this measure for the

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<sup>5</sup> Those categories are: (1) Telephone Service Factor – Emergency and Non-Emergency (both Service Areas); (2) Service Appointments Met on the Same Day Requested (both Service Areas); (3) On-Cycle Meter Readings (North Attleboro Service Area); and (4) Response to Odor Calls (both Service Areas).

<sup>6</sup> For example, in its next annual filing in March 2004, the Company will evaluate its service-quality performance for the year ending December 31, 2003, in comparison to the benchmarks established in this proceeding using performance data through December 31, 2003. The Company will also update the benchmarks to include data through December 31, 2003, to the extent that any benchmarks established in this proceeding are based on less than 10 years of data.

Service Areas prior to the issuance of D.T.E. 99-84. The Company began tracking performance on this measure as of July 1, 2001. Thus, as of December 31, 2002, there is one annual data point for this measure for both Service Areas. The Company will establish appropriate benchmarks for this measure once it has compiled three years of historical performance data to serve as a basis for the benchmark calculation. The Company's 2002 performance was 100% for the Fall River Service Area and 99.81% for the North Attleboro Service Area.

### 3. On-Cycle Meter Readings

Under Section II.C of the SQ Plans, the Company is required to collect and report data on the percentage of meters that are actually read by the Company, monthly. The Company established a benchmark in 2001 of 82% for the Fall River Service Area using four years of historical data. The 2002 performance was 82.87% for the Fall River Service Area.

As of 2002, the Company has five years of data for this category for the Fall River Service Area. Accordingly, because the Company has over three, but less than 10 years of data for this category, the Company will re-calculate this benchmark for 2003 to include the 2002 performance observation for this measure. As detailed in Section 3, Appendix H, the benchmark against which performance in 2003 will be measured will increase from 82 percent to 82.17 percent.

With regard to the North Attleboro Service Area, the Company did not measure meter reading performance prior to the issuance of the D.T.E. 99-84 guidelines. The Company began tracking data for this measure for the North Attleboro Service Area as of July 1, 2001. Thus, as of December 31, 2002, the Company has one annual data point for this measure for the North Attleboro Service Area, reflecting 2002 performance of 84.20%. The Company will propose a benchmark for the North Attleboro Service Area in relation to this measure once the North Attleboro Service Area has three years of data for this measure.

## B. Customer Satisfaction Performance Measures

### 1. Consumer Division Cases and Billing Adjustments

Under Sections III.A and B of the SQ Plans, the Company is required to track the number of customer complaints for each Service Area filed with the Department's Consumer Division and the amount of billing adjustments per 1,000 residential customers based on data compiled and reported to the Company by the Department. Last year, the Company established a benchmark for the Fall River Service Area of 55.9 Consumer Division cases, using 9 years of historical data. In addition, the Company established a benchmark for billing adjustments for the Fall River Service Area of \$24.27, using 10 years of historical data. In

2002, the Fall River Service Area had 50 Consumer Division cases and \$.03 of billing adjustments.

As of December 31, 2002, the Company has 10 years of Consumer Division data for the Fall River Service Area. Accordingly, as set forth in Section 3, Appendix H, the benchmark for Consumer Division Cases relating to the Fall River Service Area will be recalculated for 2003 to include the 2002 annual data point. Accordingly, the benchmark for the Fall River Service Area's Consumer Division Cases will decrease from 55.9 cases to 55.3 cases for 2003. Because the benchmark for billing adjustments for the Fall River Service Area was established last year using 10 years of data, the benchmark for 2003 will remain fixed at \$24.27.

Last year, the Company established benchmarks for the North Attleboro Service Area of 3.5 Consumer Division cases using 8 years of historical data, and \$5.11 of Billing Adjustments, using 6 years of historical data. In 2002, the North Attleboro Service Area had 2 Consumer Division Cases and \$0.00 of Billing Adjustments.

As of December 31, 2002, the Company has 9 years of Consumer Division data for the North Attleboro Service Area and 7 years of data for Billing Adjustments. Accordingly, as set forth in Section 3, Appendix H, the 2003 benchmarks for these measures for the North Attleboro Service Area will be recalculated to include the 2002 performance observation for Consumer Division Cases and Billing Adjustments and will decrease from 3.5 cases to 3.3 cases, and from \$5.11<sup>7</sup> to \$4.38, respectively.

#### C. Safety And Reliability Performance Measures

##### 1. Response to Odor Calls

Under Section V.A of the SQ Plans, the Company is required to submit data on the percentage of Class 1 and Class II odor calls that are responded to within one hour. The Company began tracking this measure for the Service Areas in January 2001. Because both Service Areas have less than three years of data for this performance measure, the Company will establish benchmarks for this measure once it has compiled three years of historical performance data to serve as a basis for the calculations. The 2002 performance was 99.29% for the Fall River Service Area and 100% for the North Attleboro Service Area.

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<sup>7</sup>

In the Company's 2001 Annual Service Quality Report, the Company inadvertently stated its benchmark for the North Attleboro Service Area billing adjustments as \$18.64 because the Company had used actual adjustments rather than adjustments per 1,000 residential customers. The Company corrects this error in Form A.

## 2. Lost Work Time Accident Rate<sup>8</sup>

Under Section V.B of the SQ Plans, the Company is required to report on the Incidence Rate of Lost Work Time Injuries and Illness per 200,000 Employee Hours (the “Lost Time Work Accident Rate”), as defined by the U.S. Department of Labor Bureau of Labor Statistics, for each Service Area. These data have been compiled and maintained for the Fall River Service Area since 1991 and for the North Attleboro Service Area since 1994. Because the benchmark for the Fall River Service Area was established last year using more than 10 years of data, the benchmark for this measure for the Fall River Service Area will remain fixed for the duration of the plan at 2.35. The Fall River Service Area’s 2002 lost work time accident rate was .63.

The North Attleboro Service Area’s 2002 lost work time accident rate was 0. Because the benchmark for North Attleboro Service Area was set at 39.28 last year based on more than 3 years, but less than 10 years of data, the benchmark for the North Attleboro Service Area’s Lost Work Time Accident Rate will be recalculated for 2003 to include the 2002 performance observation and thus, will decrease from 39.28 to 26.2 (see Section 3, Appendix H).

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<sup>8</sup>

Since January 1, 2002, the Company has included the number of calendar days that an employee was unable to work as a result of injury, regardless of whether or not the employee was scheduled to work on those days, pursuant to revised regulations issued by the U.S. Department of Labor, Occupational Safety and Health Administration (“OSHA”) (see 29 CFR § 1904.7(iv)). However, consistent with OSHA’s previous regulations, the Company’s calculated its performance benchmark for Lost-Work Time Accident Rate (which is based on over ten years of historical information for the Fall River Service Area and 9 years of information for the North Attleboro Service Area) by excluding weekends, holidays or other days that an employee would not normally have reported to work. Accordingly, for purposes of the Company’s annual service-quality report, the Company will track and report its performance consistent with the prior version of the regulation so that the performance data will match the historical data composing the performance benchmark.



**2002 SQI  
Annual Report  
Section 2  
Historical Data  
Penalty / (Offset) Calculation**



### Fall River Service Area

Measures	History																
	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	Sample	Average	Std Dev
<b>Customer Service and Billing</b>																	
% Calls Answered																	
% Service Appointments Met																	
% On-Cycle Meter Reads	83.00%	82.00%	81.00%	82.00%												82.00%	0.82%
<b>Safety and Reliability</b>																	
Lost Work Day Accidents	2.7200	-	0.6500	0.6600	-	2.1100	0.6300	1.9300	1.7100	13.0900						2.35	3.89
Class I & II Odor Calls	96.30%																
<b>Consumer Division Statistics</b>																	
Consumer Division Cases	50.000	74.000	72.000	78.000	55.000	45.000	56.000	44.000	29.000							55.89	16.18
Billing Adjustments	12.65	54.96	11.09	22.26	3.16	30.42	15.73	71.57	11.39	9.45						24.27	22.20
<b>Notes</b>																	

## Notes

- |  |                |
|--|----------------|
| (1) Telephone statistic based on calls handled within 20 Seconds; includes abandoned calls.                    |                |
| (2) Max penalty is incurred at 2 sd from average   |                |
| (3) Penalty/(Offset) equal to 25% of max apply to each percentage point below/above 95% up to the max penalty. |                |
| (4) Two percent of total T&D revenue in 2002.  | \$329,566      |
| Less: Service Guarantee Payout   | 0              |
| Maximum Penalty / (Offset)   | <u>329,566</u> |



### North Attleboro Service Area

### Measures

### Customer Service and Billing

## Notes

- (1) Telephone statistic based on calls handled within 20 Seconds; includes abandoned calls.
- (2) Max penalty is incurred at 2 sd from average
- (3) Penalty (Offset) equal to 25% of max apply to each percentage point below/above 95% up to the max penalty.
- (4) Two percent of total T&D revenue in 2002.

Less: Service Guarantee Payout

Maximum Penalty / (Offset)

**2002 SQI  
Annual Report  
Section 3**



## **SECTION 3**

### **Other Reporting Requirements**

#### **I. Introduction**

Pursuant to Section IV and VII of the SQ Plans, New England Gas Company is required to report on an annual basis information regarding the following indicators:

- Customer Surveys
- Restricted Work Day Rate;
- Unaccounted-for Gas;
- Damage to Company Property in Excess of \$5,000;
- Major Capital Investments in Transmission and Distribution Infrastructure;
- Spare Component Acquisition and Inventory Policy and Practice;
- and
- Staffing Levels.

The Company is also required to report annually on customer payments credited as a result of the Company's Customer Service Guarantee Program. This information is presented below and in the accompanying appendices to this section. In addition, the Company has included as Appendix H updated historical data that includes the Company's 2002 performance data, and updated benchmarks for 2003 performance, where benchmarks have not yet been fixed for the term of the Company's SQ plan.

#### **II. Non-Penalty Performance Measures**

##### **A. Customer Surveys (Appendix A)**

Under Section III.C of the SQ Plans, the Company is required to conduct and report the results of two consumer surveys regarding each Service Area: (1) a customer satisfaction survey of a statistically representative sample of residential customers; and (2) a survey of customers randomly selected from those customers who have contacted the Company's customer service

department within the year in which service is being measured. In 2002, the Company used an outside research firm to conduct both surveys for the Fall River and North Attleboro Service Areas. The results of the surveys are presented in Section 3, Appendix A.

B. Restricted Work Day Rate (Appendix B)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report the Restricted Work Day Rate for each Service Area to the Department on an annual basis. The Restricted Work Day Rate is the Incidence Rate of Restricted Work Cases Per 200,000 Employee Hours, as defined by the U.S. Department of Labor, Bureau of Labor Statistics. The Company's current and historical data regarding this measure are presented in Section 3, Appendix B.

C. Unaccounted-For Gas (Appendix C)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report its Unaccounted-for Gas for each Service Area to the Department on an annual basis. The Company's current and historical data on this measure for each Service Area are presented in Section 3, Appendix C.

D. Damage to Company Property (Appendix D)

Pursuant to Section VII.A of the SQ Plans, the Company is required to report on an annual basis property damage over \$5,000 for each Service Area that is reported to the Gas Pipeline Safety & Engineering Division. During 2002, neither Service Area had property damage over \$5,000, and accordingly, this information is reported in Section 3, Appendix D.

E. Capital Expenditures (Appendix E)

Pursuant to Section VII.D of the SQ Plans, the Company is required to report on an annual basis the capital investment approved and capital investment completed in the Company's transmission and distribution infrastructure. Information regarding the total number of projects and total expenditure for capital projects for each Service Area, along with supporting information, is presented in Section 3, Appendix E.

F. Spare Component and Acquisition Inventory Policy (Appendix F)

Pursuant to Section VII.E of the SQ Plans, the Company is required to report on an annual basis its policy for identifying, acquiring, and stocking critical spare components for its distribution and transmission system. Historically, neither the Fall River nor North Attleboro Service Areas have maintained a formal, written policy for identifying, acquiring, and stocking spare components. As a result of its efforts to consolidate operations following the merger, the Company has developed such a policy. The report is provided in Section 3,

## Appendix F.

### G. Staffing Levels (Appendix G)

Pursuant to Section IV of the SQ Plans, the Company will provide staffing level information on an annual basis. The report is provided in Section 3, Appendix G.

### III. **Customer-Service Guarantees**

Consistent with Section XI of the SQ Plans, the Company instituted a system of customer-service guarantees for the Fall River and North Attleboro Service Areas as of January 1, 2002. Specifically, the Company will provide customer guarantees for each Service Area in the amount of \$25.00 for each: (1) scheduled service appointments for which Company personnel are more than four hours late; and (2) scheduled service outages for which the Company has failed to notify affected customers. In 2002, the Company remitted to customers a total of two under its Customer Service Guarantee Program to customers of the North Attleboro Service Area and was not subject to remit any to customers of the Fall River Service Area.

# **Customer Survey Results 2002**

## **Appendix A**



New England Gas Company 2002 Customer Satisfaction Survey Results
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Two groups of customers were surveyed:

1. Residential customers who may or may not have recently contacted the Company;  
and
2. Any customer who had recent contact with the Company through the telephone center, walk-in center or through a service call.

The samples for the survey were randomly selected to include customers in these two groups. The statistical significance of the survey was 93% for the Fall River Service Area, with a confidence level of + 4.7. The statistical significance of the survey was 92% for the North Attleboro Service Area, with a confidence level of + 5.0.

The following questions were asked of customers:

Using a scale of 1 = very dissatisfied and 7 = very satisfied; How satisfied are you with the service you are receiving from Fall River \North Attleboro Service Area.

Using a scale where 1 = very dissatisfied and 7 = very satisfied; how satisfied were you with the service you received from the customer service department of Fall River/North Attleboro Service Area?

The mean scores for Question 1 were 4.50 for the Fall River Service Area and 6.02 for the North Attleboro Service Area. The mean scores for Question 2 were 4.96 for the Fall River Service Area and 6.24 for the North Attleboro Service Area.

# **RESTRICTED WORK DAY DATA**

**YEAR ENDING DECEMBER 31, 2002**

## **Appendix B**





**Fall River  
Service Area  
Restricted Work Day**

Year	Restricted Work-Day Rate
<b>1993</b>	1.14
<b>1994</b>	36.08
<b>1995</b>	52.82
<b>1996</b>	46.49
<b>1997</b>	67.63
<b>1998</b>	123.51
<b>1999</b>	128.97
<b>2000</b>	36.51
<b>2001</b>	79.59
<b>2002</b>	8.25

## North Attleboro Service Area

### Restricted Work Day

Year	Restricted Work-Day Rate
<b>1993</b>	n/a
<b>1994</b>	0.00
<b>1995</b>	0.00
<b>1996</b>	0.00
<b>1997</b>	0.00
<b>1998</b>	0.00
<b>1999</b>	0.00
<b>2000</b>	0.00
<b>2001</b>	0.00
<b>2002</b>	0.00

# **Unaccounted for Gas**

**YEAR ENDING DECEMBER 31, 2002**

## **Appendix C**



**Fall River  
Service Area  
Unaccounted Gas**

Year	Unaccounted Gas MCF
1993	278,241.0
1994	173,974.0
1995	447,444.0
1996	60,496.0
1997	2,438,612.0
1998	118,356.0
1999	195,010.0
2000	530,630.0
2001	40,323.0
2002	374,569.0

## North Attleboro Service Area

### Unaccounted For Gas

Year	Unaccounted Gas MCF
1993	n/a
1994	n/a
1995	17,014.0
1996	6,384.0
1997	17,356.0
1998	19,597.0
1999	4,279.0
2000	8,487.0
2001	11,453.0
2002	7,773.0

# **Damage to Company Property**

**YEAR ENDING DECEMBER 31, 2002**

## **Appendix D**



New England Gas Company Damage to Company Property
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Neither Fall River nor North Attleboro had property damage greater than \$5,000.


# **Capital Expenditures**

**YEAR ENDING DECEMBER 31, 2002  
&  
Historical Information**

## **Appendix E**





		Fall River Service Area					
		2002 Capital Expenditure Reporting					
		<b>FALL RIVER</b>	<b>SOMERSET</b>	<b>SWANSEA</b>	<b>WESTPORT</b>	<b>DARTMOUTH</b>	<b>TOTAL</b>
	<b>ADDITIONS:</b>						
320	Other equipment	\$ 23,668.00	\$ -	\$ -	\$ -	\$ -	\$ 23,668.00
367	Plastic mains	423,074.45	13,502.46	11,910.18	3,725.28	-	452,212.37
	Replacement plastic mains	295.40	6,450.50	-	-	-	6,745.90
	Cathodic protection <b>mains</b>	2,218.57	15.89	1,930.93	69.56	-	4,234.95
	Rectifiers	-	-	5,043.84	177.67	-	5,221.51
369	Measuring & regulating station equipment	369.60	-	-	-	-	369.60
380	Services	240,082.88	81,203.97	83,812.79	111,732.85	3,119.62	519,952.11
	Replacement services	169,220.23	45,488.56	56,184.22	18,337.05	-	289,230.06
	Cathodic protection <b>services</b>	-	3.85	-	-	-	3.85
380.1	New service stubs	5,374.47	4,021.99	3,637.17	1,989.48	-	15,023.11
381	New meters	174,354.56	-	-	-	-	174,354.56
382	New meter installations	75,411.86	7,201.85	8,334.00	5,062.16	76.45	96,086.32
	Replacement meter installations	89,412.81	7,164.47	8,728.82	3,902.68	-	109,208.78
383.2	New regulator installations	4,182.80	1,075.23	916.60	15.80	-	6,190.43
	Replacement regulator installations	2,064.63	324.11	96.73	-	-	2,485.47
383.3	New regulators	3,042.35	-	-	-	-	3,042.35
	Replacement regulators	47.59	-	-	-	-	47.59
391	Office equipment	285.09	-	-	-	-	285.09
394	Shop equipment	10,816.64	-	-	-	-	10,816.64
397	Communication equipment	8,535.77	-	-	-	-	8,535.77
	<b>Total additions:</b>	<b>\$ 1,232,457.70</b>	<b>\$ 166,452.88</b>	<b>\$ 180,595.28</b>	<b>\$ 145,012.53</b>	<b>\$ 3,196.07</b>	<b>\$ 1,727,714.46</b>
	<b>RETIREMENTS:</b>						
	Retire steel mains	\$ -	\$ (2,307.35)	\$ -	\$ -	\$ -	\$ (2,307.35)
	Retire plastic mains	(7,357.55)	-	-	-	-	(7,357.55)
	Retire steel services	(18,022.26)	(8,918.47)	(10,242.37)	(7,113.46)	-	(44,296.56)
	Retire meters	(12,256.58)	(757.42)	(1,025.00)	1,135.73	-	(12,903.27)
	Retire meter installations	(2,098.36)	(137.97)	(74.10)	(19.17)	-	(2,329.60)
	Retire regulators	(1,163.89)	(720.08)	(579.98)	(141.65)	-	(2,605.60)
	Retire regulator installations	(820.40)	(925.55)	(565.28)	(128.48)	-	(2,439.71)
	Retire services	(21,266.07)	(2,170.56)	(109.49)	(6,202.22)	-	(29,748.34)
	Retire service stubs	-	(987.14)	-	(225.48)	-	(1,212.62)
	Retire vehicle	(18,857.87)	-	-	-	-	(18,857.87)
	<b>Total retirements:</b>	<b>\$ (81,842.98)</b>	<b>\$ (16,924.54)</b>	<b>\$ (12,596.22)</b>	<b>\$ (12,694.73)</b>	<b>\$ -</b>	<b>\$ (124,058.47)</b>
	<b>Net change:</b>	<b>\$ 1,150,614.72</b>	<b>\$ 149,528.34</b>	<b>\$ 167,999.06</b>	<b>\$ 132,317.80</b>	<b>\$ 3,196.07</b>	<b>\$ 1,603,655.99</b>

**Fall River Gas Company  
Capital Expenditure Information  
Transmission and Distribution Plant**

<b>Booked Investment</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>Additions:</b>							
366 Structures & Improvements	\$21,602			\$1,638			
367 Mains	\$1,966,830	\$437,459	\$523,222	\$431,697	\$168,498	\$532,197	\$114,199
369 Measure & Regulator	\$201,515	\$8,531	\$18,527	\$6,546	\$24,022	\$22,389	\$50,881
380 Services	\$2,519,165	\$1,461,230	\$1,325,328	\$996,711	\$988,392	\$1,132,359	\$636,801
381 Meters	\$233,894	\$135,807	\$135,390	\$285,991	\$16,329	\$86,159	(\$7,532)
382 Meter Installations	\$493,970	\$242,345	\$200,156	\$201,814	\$199,938	\$242,000	\$149,748
383 House Regulators	\$38,219	\$19,893	\$19,615	\$18,810	\$13,435	\$15,615	\$14,230
387 Other	\$3,817	\$0	\$3,983			\$11,200	\$31,071
sub-total	\$ 5,479,012.11	\$2,305,265	\$2,226,221	\$1,943,207	\$1,410,614	\$2,041,919	\$989,397
<b>Retirements</b>							
367 Mains	(\$33,447)	(\$2,737)	(\$59,060)	(\$18,827)	(\$13,149)	(\$10,647)	(\$79,629)
369 Measure & Regulator	\$0	(\$4,750)	(\$271)	(\$1,677)	(\$18,849)	(\$7,789)	
380 Services	(\$136,396)	(\$142,831)	(\$70,808)	(\$36,311)	(\$61,448)	(\$75,873)	(\$122,013)
381 Meters	(\$27,854)	(\$32,741)	(\$27,146)	(\$21,800)	(\$20,371)	(\$12,511)	(\$10,418)
382 Meter Installations	(\$39,742)	(\$38,013)	(\$27,094)	(\$18,833)	(\$26,855)	(\$18,965)	(\$31,022)
383 House Regulators		(\$8,380)	(\$5,157)	(\$2,682)	(\$4,688)	(\$2,444)	(\$5,645)
387 Other			(\$2,940)				
sub-total	(\$237,439)	(\$229,452)	(\$192,477)	(\$100,130)	(\$145,361)	(\$128,230)	(\$248,727)
<b>Total</b>	<b>\$5,241,573</b>	<b>\$2,075,813</b>	<b>\$2,033,744</b>	<b>\$1,843,076</b>	<b>\$1,265,253</b>	<b>\$1,913,689</b>	<b>\$740,670</b>
<b>Facilities</b>							
<b>Added (feet)</b>							
Wrought Iron and Steel	90	650	0	0	18	0	0
Plastic	42,598	20,449	26,389	23,116	20,058	17,462	33,339
Cast Iron	0	0	0	0	0	0	0
sub-total	42,688	21,099	26,389	23,116	20,076	17,462	33,339
<b>Taken up (feet)</b>							
Wrought Iron and Steel	0	0	0	0	612	0	0
Plastic	0	0	0	0	0	0	0
Cast Iron	0	0	0	0	0	0	0
sub-total	0	0	0	0	612	0	0
<b>Abandoned (feet)</b>							
Wrought Iron and Steel	10,823	5,184	11,463	3,874	4,845	2,069	15,724
Plastic	1,099	219	286	0	171	138	39
Cast Iron	654	3,113	4,743	178	299	404	13,260
sub-total	12,576	8,516	16,492	4,052	5,315	2,611	29,023
<b>Net change</b>	<b>30,112</b>	<b>12,583</b>	<b>9,897</b>	<b>19,064</b>	<b>14,149</b>	<b>14,851</b>	<b>4,316</b>

[1] information to be filed with Department in 2001 Annual Report

[illegible]

**North Attleboro Gas Company  
Capital Expenditure Information  
Transmission and Distribution Plant**

<b>Booked Investment</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
<b>Additions:</b>							
367 Mains	\$212,341	\$159,997	\$217,736	\$482,223	\$149,449	\$225,929	\$148,408
369 Measure & Regulator	\$4,200	\$8,817	\$37,289	\$1,605	\$0	\$0	\$0
380 Services	\$151,932	\$183,267	\$193,537	\$215,085	\$219,804	\$309,385	\$255,175
381 Meters	\$20,374	\$16,019	\$15,751	\$14,588	\$35,091	\$3,586	\$6,787
382 Meter Installations	\$51,258	\$50,341	\$81,183	\$68,636	\$20,345	\$58,833	\$31,537
sub-total	\$440,105	\$418,441	\$545,496	\$782,137	\$424,689	\$597,733	\$441,907
<b>Retirements</b>							
367 Mains	(\$9,650)	(\$6,502)	(\$5,078)	(\$10,472)	(\$10,615)	(\$3,271)	(\$1,828)
369 Measure & Regulator	(\$400)	(\$811)	\$0	\$0	\$0	\$0	\$0
380 Services	(\$24,466)	(\$6,471)	(\$14,823)	(\$33,527)	(\$18,892)	(\$20,513)	(\$15,405)
381 Meters	(\$2,288)	(\$5,093)	(\$3,508)	(\$2,501)	(\$3,617)	(\$1,278)	(\$1,012)
382 Meter Installations	(\$1,200)	(\$1,000)	(\$1,150)	(\$642)	(\$500)	(\$4,200)	(\$3,577)
sub-total	(\$38,004)	(\$19,877)	(\$24,559)	(\$47,142)	(\$33,624)	(\$29,262)	(\$21,822)
<b>Total</b>	\$402,101	\$398,564	\$520,937	\$734,995	\$391,065	\$568,471	\$420,085
<b>Facilities</b>							
<b>Added (feet)</b>							
Welded Steel	0	2	0	0	0	0	0
Screw Steel	0	0	8	0	0	0	0
Plastic	6,704	7,224	12,658	21,364	7,466	7,373	9,844
Cast Iron	0	0	0	0	0	0	0
sub-total	6,704	7,226	12,666	21,364	7,466	7,373	9,844
<b>Taken up (feet)</b>							
Welded Steel	0	2,552	0	0	615	0	32
Screw Steel	0	122	2,205	3,015	2,088	517	2,510
Plastic	0	22	0	175	33	103	276
Cast Iron	0	0	755	937	1,438	1,344	0
sub-total	0	2,696	2,960	4,127	4,174	1,964	2,818
<b>Abandoned (feet)</b>							
Welded Steel	0	0	0	0	0	0	0
Screw Steel	1,826	0	0	0	0	0	0
Plastic	148	0	0	0	0	0	0
Cast Iron	3,067	0	0	0	0	0	0
sub-total	5,041	0	0	0	0	0	0
<b>Net change</b>	1,663	4,530	9,706	17,237	3,292	5,409	7,026

[1] information to be filed with Department in 2001 Annual Report

**Spare Component  
and  
Acquisition Inventory Policy**

**YEAR ENDING DECEMBER 31, 2002**

**Appendix F**



# New England Gas Company

## Spare Component and Acquisition Inventory Policy

The New England Gas Company (the “Company” or “NEGas”) manages all inventory items with the Lawson software application. The system provides the Company with one integrated Materials Management software system for each of the Company’s service areas, which are located in Fall River, Massachusetts, North Attleboro, Massachusetts, Cumberland, Rhode Island, and Providence, Rhode Island. In addition, each location shares a common part numbering sequence for inventory items for both distribution and customer service requirements. This process has evolved over the last two years for the Company’s North Attleboro and Fall River Service Areas since their acquisition by Southern Union Company. As a result of corporate integration, the Service areas **now** operate all warehouses with the same policies and procedures within the Materials Management Department.

### Stock Replenishment Practice

Best practices are incorporated into the inventory processes at the Company to assure critical and routine items are in stock. Inventory is conducted utilizing the A, B, C analysis method and inventory is ordered based on minimum, maximum and safety inventory <sup>1</sup> levels the Company has assigned to each individual item. The Company also has a Purchasing Team comprised of the Purchasing, Materials Management, Construction and Maintenance, Engineering and Customer Service Departments which meet monthly to identify stock level changes in certain inventory items due to seasonal business changes (*i.e.*, repair clamps in winter) and large projects. These combined processes allow NEGas to operate with optimum inventory levels to support all construction maintenance and customer service requirements.

### Integration of Inventory Items

In an effort to standardize the service areas within the Company’s Materials Management Department the company has made great strides in bringing the inventory to a more common platform. Items such as plastic pipe, meters, clamps, meter bars and other common industry items already standardized by the Company have allowed for more cost-effective procurement and the benefit of being able to draw common parts and critical items from one of four warehouses. The “Products Evaluation Team” comprised of the Purchasing, Materials Management, Construction and Maintenance, Meter Services, Safety, Customer Service and Engineering Departments meet monthly to continue the integration of inventory items parts among the service areas and evaluations of new products and services offered in the industry.

### Critical Inventory Items

The Engineering and Construction and Maintenance Departments have identified critical items for the Company’s distribution system. Items such as large cutoffs, clamps and other parts are in stock at each warehouse for emergency purposes. If any critical inventory is used it is replaced immediately to assure the Company’s emergency inventory items stay at the assigned levels. If the Engineering or Construction and Maintenance Departments identify new item(s) as critical, they will notify the Materials Management Department and the item(s) will be ordered and stocked. In addition, the Company networks with other utilities in the Northeast and New York as necessary in obtaining critical items as a last resort.

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<sup>1</sup> Safety inventory: one inventory item above the Company’s minimum inventory requirement.

With the processes and practices noted above, the Fall River and North Attleboro Service Areas have been successful in maintaining all necessary items for emergency and routine work. The continued integration of all the service areas will continue to standardize and reduce the number of critical items required for all locations. In addition, the Company will continue to monitor the best practices within the industry and implement them as necessary to assure that it maintains a credible and accurate inventory system.

# **Staffing Levels**

**YEAR ENDING DECEMBER 31, 2002**

## **Appendix G**





**Fall River  
Service Area  
Employee Count**

Year	Number of Employees
1997	177
1998	172
1999	169
2000	170
2001	160
2002	145



**North Attleboro  
Service Area  
Employee Count**

Year	Number of Employees
1997	11
1998	14
1999	13
2000	13
2001	10
2002	5



# **2003 Benchmark Calculations**

**YEAR ENDING DECEMBER 31, 2002**

## **Appendix H**





Fall River Service Area  
Service Quality Plan  
2003 Benchmark Statistics

<u>Year</u>	<u>Total Percent Calls Answered</u>	<u>Percent Service Appt. Met</u>	<u>Percent On-Cycle Meter Reads</u>	<u>Lost Work Day Accidents</u> **	<u>Class I&amp;II Odor Calls</u>	<u>Consumer Division Cases</u>	<u>Billing Adjustments Per 1,000</u>
1992				13.09			\$ 9.45
1993				1.71		29.0	\$ 11.39
1994				1.93		44.0	\$ 71.57
1995				0.63		56.0	\$ 15.73
1996				2.11		45.0	\$ 30.42
1997				0.00		55.0	\$ 3.16
1998			82.00%	0.66		78.0	\$ 22.26
1999			81.00%	0.65		72.0	\$ 11.09
2000			82.00%	0.00		74.0	\$ 54.96
2001	< 1 year data	<1 year data	83.00%	2.72	96.30%	50.0	\$ 12.65
2002	37.76%	100.00%	82.87%	-	99.29%	50	-
2003 Mean	N/A	N/A	82.17%	FIXED 2.35	95.00%	55.3	FIXED 24.27
2003 Std. Dev.			0.81%	3.89		15.4	22.20
Max. Penalty			80.56%	10.12		86.0	68.66
25% Penalty			81.37%	6.24		70.7	46.46
25% Offset			82.98%	(1.54)		39.9	2.07
Max. Offset			83.79%	(5.42)		24.6	(20.12)

\*\* The historical lost work day information was inadvertently replaced by the restricted work day rate in the 2001 reporting of this attachment.



North Attleboro Service Area  
Service Quality Plan  
2003 Benchmark Statistics

<u>Year</u>	<u>Percent Calls Answered</u>	<u>Percent Service Appt. Met</u>	<u>Percent On-Cycle Meter Reads</u>	<u>Lost Work Day Accidents</u>	<u>Class I&amp;II Odor Calls</u>	<u>Consumer Division Cases</u>	<u>(1)</u>	<u>Billing Adjustments</u>	<u>(2)</u>
1992									{1}
1993						7			
1994				0.00		2			
1995				0.00		6			
1996				0.00		NA	\$	28.52	
1997				0.00		5	\$	-	
1998				0.00		1	\$	-	
1999				0.00		3	\$	-	
2000				0.00		1	\$	-	
2001	<1 year data	<1 year data	<1 year data	235.65	100.00%	3	\$	2.16	
2002	94.83%	99.81%	84.20%	0.00	100.00%	2.0			0
2003 Mean	N/A	N/A	N/A	26.2	95%	3.3	\$	4.38	
2003 Std. Dev.				105.4		1.0	\$	10.68	
Max. Penalty				236.96		5.3	\$	25.73	
25% Penalty				131.57		4.3	\$	15.06	
25% Offset				(79.20)		2.3	\$	(6.29)	
Max. Offset				(184.59)		1.3	\$	(16.97)	

- (1) In the Company's 2001 Annual Report, the 1996 data point was inadvertently included in the mean as 0 consumer cases. It should have been excluded from the total.
- (2) The 2001 benchmark was established using actual billing adjustments - it has been updated to account for the billing adjustments per 1,000 customers.